

Honolulu, Hawaii

March 14, 2013

RE: S.B. No. 750  
S.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Veterans, Military, & International  
Affairs, & Culture and the Arts, to which was referred S.B. No.  
750, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO DIGITAL MEDIA INFRASTRUCTURE,"

begs leave to report as follows:

The purpose of this measure is to facilitate the growth of  
the film and digital media industry in the State by establishing  
an income tax credit for the development of qualified media  
infrastructure projects in designated or qualifying geographic  
areas of the State. Specifically, this bill:

- (1) Establishes a Media Infrastructure Project Tax Credit  
(Tax Credit) for projects situated in West Oahu or on  
the most populous island in a county with a population  
between 100,000 and 175,000;
- (2) Establishes the requirements for claiming the tax  
credit;
- (3) Requires the Department of Business, Economic  
Development, and Tourism to be responsible for the audit  
approval, expenditure certification, application  
processing, and issuance of final tax credit  
certification letters; and



- (4) Requires the Department of Taxation to submit an annual report to the Legislature on the tax credit, including a cost benefit analysis of the tax credit.

A concerned individual testified in support of this measure. SAG-AFTRA, International Alliance of Theatrical Stage Employees (IATSE) Mixed Local 665, American Federation of Musicians (AFM) Local 677, and Hawaii Teamsters Local 996 testified in support of the intent of this bill. The Department of Taxation, Department of Business, Economic Development, and Tourism, Tax Foundation of Hawaii, and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Veterans, Military, & International Affairs, & Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 750, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business.

Respectfully submitted on  
behalf of the members of the  
Committee on Veterans,  
Military, & International  
Affairs, & Culture and the  
Arts,

  
K. MARK TAKAI, Chair



State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

HSCR 948

Record of Votes of the Committee on Veterans, Military, & International Affairs, & Culture and the Arts

Bill/Resolution No.:	Committee Referral:	Date:		
SB750, SD2	VMI, EDB, FIN	3/13/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
VMI Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAI, K. Mark (C)	✓			
2. ITO, Ken (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.				✓
6. OHNO, Takashi	✓			
7. ONISHI, Richard H.K.	✓			
8. TAKAYAMA, Gregg	✓			
9. TSUJI, Clift	✓			
10. MCDERMOTT, Bob				✓
TOTAL (10)	8			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				